

South Park & South Park II

Proposal for Combined Renewal

January 25, 2016

Prepared for

South Park Stakeholders Group

Prepared by



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1 Overview

Background: The South Park Business Improvement District (SP BID) and South Park II Business Improvement District (SPII BID) are both managed by the South Park Stakeholders Group (SPSG.) Both SP BID and SPII BID will sunset on December 31, 2017, unless renewed by a vote of their respective property owners. SP BID and SPII BID have previously expressed their intent to renew together as a single BID (SP BID.) This proposal is based upon a combined renewal; a “stand-alone” renewal of the two Districts would translate to a revision to this proposal, a duplication of many tasks, and a substantially higher cost. In the (unlikely but possible) event that the SP/SPII Steering Committee and SPSG vote to pursue separate District renewals, Devine Strategies can revise this proposal for SPSG’s review/approval near the end of Phase I.

The City’s requirements for the official BID property owner database, Management District Plan (MDP) and Engineer’s Report evolve continuously, which necessitates a complete overhaul of all documents. The combined renewal of the districts includes the following work products:

- Manual reconciliation of two different property owner databases (one from 2012 and one from 2015)
- Updates to new merged database: add new or changed APNs (subdivisions, lot ties, etc.), pull and update all ownership and lot/building/frontage information, etc.
- 2-3 Steering Committee meetings to discuss any potential changes to services, service levels and hours in the Districts and the various Zones
- Determine the combined District budget, Zone budgets, and, if necessary, identify any assessment methodology changes required to effect the desired budget/service levels
- Hold one or more public meetings to seek input from property owners beyond the SPSG Board of Directors and SP/SPII Steering Committee
- Direct outreach to property owners as needed
- The blending of two different Management District Plans (SP: approved 2012; SPII 2015) and updates to reflect all policy changes since each plan was reviewed and approved
- The blending of two different Engineer’s Reports
- Creation of a new BID map, including Zone detail
- Successful City review and approval of all four documents (typically 6-9 months and a minimum of three reviews by five staff, each conducted independently of one another.)
- Preparation of marketing materials and handouts as needed
- Preparation and mailing of petitions and related materials
- Coordination with City Clerk, HCED Chair, Council President, Council Districts 9 and 14 to effectuate scheduling and approval of:
 - Ordinance of Intention
 - Ordinance of Establishment
 - Prop 218 Ballot Issuance

2 Budget

NTE \$70,000 DEVINE STRATEGIES (\$62,500 BASE + \$7,500 CONTINGENCY*)

(for the Management District Plan & 15 months of full-service project management services)

+

NTE \$4,500 ED HENNING & ASSOCIATES (\$3,500 BASE + \$1,000 CONTINGENCY*)

(for the Engineer's Report; please see the attached proposal in Appendix A)

NTE \$74,500 TOTAL

- SPSG may elect to either contract directly with Ed Henning & Associates or may request that Devine Strategies manage a subcontract for these services.
- This rate is fully burdened.
- Mileage expenses are deemed included within this fee.
- Parking shall be billed at actual cost but shall not exceed \$250 for the entire scope of work without prior Client(s) approval. Copies of receipts shall be provided.
- Reasonable out-of-pocket expenses shall not exceed \$250 for the entire scope of work without prior Client approval. Likely expenses could include: presentation/meeting materials, large-scale maps, etc. In most instances, SPSG can/will procure such supplies.
- Printing & mailing costs (meeting announcements, petition packets, BID renewal letter) will be borne by SPSG.
- Printing for meetings will be performed by SPSG when delivered at least 2 business days in advance (Devine Strategies will take responsibility for any documents produced closer to meeting times.) Devine Strategies will provide materials in an organized fashion and oversee document production as needed (e.g. petition packets.)

Additional, possible out-of-pocket costs for SPSG related to formation that are not included in this proposal:

- \$1,000-\$1,500 mailing costs (estimated)
- Printing and related office supplies (varies)
- Minor accounting support, primarily during budget (re)consideration process
- Legal support (rarely but occasionally desirable)

* The contingency for Devine Strategies exists primarily to address two significant variables in the number of hours required to obtain approval for the renewed District: 1) the extent of the City's review and changes to the MDP and ER (as the documents are wholly interdependent, any changes to either the MDP or ER trigger revisions to both documents) and 2) the amount of one-on-one and/or group outreach required to area property owners, before, during and after the petition stage, as well as any follow-up activities required after BID approval. The contingency for the Engineer's Report is addressed in the Engineer's proposal attached as *Appendix A (see p.11.)* Devine Strategies and Ed Henning & Associates have worked together on many Business Improvement Districts, including SPII. Historically speaking, our MDPs & ERs are 97% accepted/final after only two rounds of edits; however, we consistently receive one or more additional rounds of late changes from the City after these two reviews (quite often items that were never raised before, although they existed in the first and/or second round reviews.)

3 Timeline

PHASE I

RECONSIDERATION OF ALL SP and SPII DECISIONS & COMBINING OWNER DATABASES

April 2016 – June 2016

- South Park Stakeholders Group (SPSG) Board of Directors vote to proceed and allocation of renewal funding
- Meeting(s) with the City Clerk, Council District 14 and Mayor's Office if/as needed
- Survey relevant land use changes in the Districts (informs assessment methodology/zones)
- Combine, reconcile and update two databases of property owners and parcel data, including the addition of newly created parcels/removal of obsolete parcels (usually due to subdivisions), ownership changes, lot ties, added or removed building square footage and frontage, etc.
- Develop new maps and other visual aids
- Identify the members of the South Park and South Park II Renewal Steering Committee; hold 2-3 meetings to confirm or alter:
 - Boundaries and Zones
 - Services needed/desired (type, level, hours)
 - Assessment methodology
 - Service plan and budget
- During the Steering Committee process, hold a public community outreach meeting for all property owners; seek wider input on current SP and SPII budgets and service plans, use as opportunity to educate owners who are not knowledgeable about the BID
- Document feedback and present to Steering Committee and South Park Board
- SPSG vote to proceed to with renewal, having identified specific boundaries, budget and service plan

PHASE II

FORMATION: CITY REVIEW & BID ADOPTION/RENEWAL

July 2016 – July 2017

- Prepare first informational mailing to all property owners in the proposed BID area if desired
- Combine and update the SP & SPII Management District Plans (MDPs) and Engineer's Reports to reflect any Steering Committee changes, as well as substantial changes in the City's policies (this is most applicable to the South Park MDP/ER, as it would no longer be approved today; changes to SPII MDP/ER would be fewer.) *(July – August 2016)*
- Submit new MDP and ER to City of LA for review/comments *(no later than August 2016)*
- Develop outreach/promotional materials for the petition stage
- Hold 2 public meetings (if desired) to outline budget and service plan (AM/PM)
- Additional one-on-one meetings with major stakeholders
- Develop the final database of property owners and parcel data *(December 2016)*
- Submit final draft MDP and Engineer's Report to City for review, changes and approval *(by December 2016, pending timely Clerk review of 1st and 2nd drafts)*
- Official petition mailing – MDP, Engineer's Report, petitions *(January 2017)*
- Petition collection/validation *(January – February 2017)*
 - Meetings, phone calls, emails, facilitation of signatures
- Ordinance of Intention adopted by Council *(March 2017)*
- City prepares ballots *(March 2017)*
- Ballot period *(April – May 2017)*
- City Council adoption *(June 2017 or earlier)*
- SPSG executes new contract with City *(no later than Sept 2017)*

4 Consultant Qualifications

All work contained in this proposal shall be performed by, or under the supervision of, firm Principal Tara Devine. Any work performed by any employee or subcontractor shall be reviewed and approved by the firm principal. Ms. Devine shall serve as the primary Client liaison and shall give any public presentation requested by the Client.

Tara Devine thrives at the intersection of the public and private sectors, exploring economic development, urban planning and community-building through projects and public policy -- often in a political context.

Ms. Devine's decade of experience with the City of Los Angeles, combined with nine years' experience in the private sector, makes her uniquely qualified to help private sector clients successfully understand and negotiate the public sector, and to help translate private sector needs to the public sector. Public sector clients benefit from her thorough understanding of local government and the finite resources available to assist with community and economic development efforts. Her public sector experience includes 10 years of service to three Los Angeles city elected officials in various economic development and planning capacities. Her private sector experience ranges from corporate experience to small business ownership to non-profit experience, and includes the management of three Los Angeles BIDs in a 100-block area. During this time, she was instrumental in the successful formation of a new BID, the successful renewal of another, and even the difficult, but correct, decision to not to renew the third.

Ms. Devine understands all aspects of how BIDs operate, including why they fail and how they can improve and thrive. She is a member of the International Downtown Association (IDA) and the California Downtown Association (CDA). She has been an active participant in LA BID Consortium meetings and has supported many advocacy efforts on behalf of LA BIDs. In 2013, Ms. Devine organized a highly successful advocacy day on behalf of the LA BID Consortium. In a single day, dozens of BID staff and board members met with 11 of the 15 City Council members to educate them on the work that BIDs do in communities across Los Angeles, and to raise awareness about many City policies that impact BIDs. She is currently working with the LA BID Consortium, the Los Angeles City Clerk and the Los Angeles Department of Water & Power to update the popular 2012 State of the BIDs Report and provide LADWP with recommendation on how they might partner more closely with the City Clerk and LA BIDs to further LADWP's economic development goals, particularly with small- and medium-sized businesses.

As the founder and principal of Devine Strategies, Ms. Devine focuses on developing successful long-term client relationships, even when consulting projects may be short-term. She specializes in government and political advocacy, business assistance, economic development,

community outreach and relationship-building, transportation and land use (including entitlements and permits,) and business improvement district consulting. Current and former clients include government agencies, Top 100 retailers, property owners, business groups, business improvement districts and international consulting firms. Business Improvement District consulting, including formation, renewal and management consulting, is a particular and growing focus of the firm.

Ms. Devine is exceedingly proud to have lived in Los Angeles since 1994 and have worked in Los Angeles since 1997. She loves the history and diversity of LA and remains passionate about its future.

Devine Strategies is a five year-old, Los Angeles-based, woman-owned, small business enterprise. The firm carries general liability insurance and maintains a current City of Los Angeles business license.

A list of our most relevant current and former client references follows.

5 Select References

Steve Heumann, Venice Boardwalk Association (VBA) & Sidewalk Enterprises

310-392-4687

sheumann@sidewalkent.com

Steve Heumann is the President of the Venice Boardwalk Association and CEO of Sidewalk Enterprises. Steve, together with Mark Sokol, has headed the Steering Committee for the Venice Beach BID formation effort (currently underway.) As someone who was wholly new to the process of BID formation, he can provide perspective on my ability to communicate effectively with property owners and make BID formation accessible and understandable to those who are wholly unfamiliar with how BIDs work.

Raquel King-Beard, Central City East Association (CCEA)

213-228-8484

rbeard@centralcityeast.org

Raquel is the Executive Director of the Central City East Association, which administers the Downtown Industrial BID. CCEA is a former employer and a longtime consulting client. I most recently helped them with the renewal of the Downtown Industrial BID (2013-2014) and various public policy issues (2011-2014.)

Estela Lopez, Kindel Gagan

213-709-6650

elopez@kindelgagan.com

Estela is now a lobbyist with the highly esteemed public affairs firm Kindel Gagan. She formed the first ever property-based BID in the City of LA, and later ran three others as the Executive Director of the Central City East Association. We have worked on more projects together than either of us could recall, and she has known me for nearly fifteen years.

Kent Smith, Fashion District BID

213-488-1153 or 213-422-7628

kent@fashiondistrict.org

Kent is the Executive Director of the Fashion District BID. I assisted with their last renewal (2013.) Kent is a member of the California Downtown Association Board of Directors and is past Treasurer of the International Downtown Association (both organizations are focused on BIDs and other types of downtown/main street organizations.) He has known me for at least a decade.

Mark Sokol, Hotel Erwin & Larry's Restaurant

310-396-8464

mark@mphotel.com

Mark Sokol is the owner of Hotel Erwin and Larry's Restaurant in Venice Beach. Mark, together with Steve Heumann, has headed the Steering Committee for the Venice Beach BID formation effort (currently underway.) As someone who was wholly new to the process of BID formation, he can provide perspective on my ability to communicate effectively with property owners and

make BID formation accessible and understandable to those who are wholly unfamiliar with how BIDs work.

I welcome prospective clients to contact the Office of the City Clerk, Neighborhood & Business Improvement District Division at 213-978-1099 to inquire about my work as a consultant to Los Angeles BIDs.

I have also worked extensively with many Los Angeles council districts to provide BID education, to explore forming, and/or to form BIDs, and can provide many references for electeds and/or staff if desired.

Prop 218 - Assessment Engineer's Report Proposal

January 21, 2016

Ms. Tara Devine
Devine Strategies
645 West Ninth Street, #110-293
Los Angeles, CA 90015

Re: Prop 218 - Assessment Engineer's Report Proposal
South Park BID I & II Consolidation/Renewal

Dear Ms. Devine:

Based on your request regarding the South Park BID I & II consolidation and renewal, I am pleased to submit this proposal to you for the preparation of a Certified Assessment Engineer's Report as required by Section 4(b) of Article XIII D of the California Constitution (Proposition 218). Such a report must be completed and on file for public review with the local government authority, prior to any formal assessment district processing/adoption/or renewal by a local government entity.

In the way of background, I have been involved with community development and business district revitalization programs and projects for over 35 years, having worked directly for Southern California municipalities inclusive of Pasadena, Whittier and Santa Ana. As a consultant for the past 30 years, I have provided revitalization advisory services to numerous city governments and business associations throughout the State.

In particular, I have worked directly on BID/PBID studies, formations, renewals, modifications and Prop 218 Assessment Engineer Reports in over 100 cities throughout California including cities such as Los Angeles, San Francisco, Berkeley, Oakland, San Diego, Vacaville, Santa Rosa, Long Beach, Pasadena, Glendale, Arcadia, Huntington Beach, Newport Beach, Oxnard, Culver City, Buena Park, Apple Valley, Santa Ana, Yucaipa, Monterey Park and Huntington Park.

Outlined below is a scope of proposed services and contract terms for the subject work:

Scope of Services

- Review draft Management Plan in detail
- Review draft assessment formula and its components and basis; provide justification
- Review draft benefit zone differentials, if any; provide justification
- Review assessment roll
- Review proposed programs and activities and related costs
- Evaluate proportionate costs relative to proportionate benefits to be received

- Identify and extract “general benefit” costs from “special benefit” costs; provide justification using a 3 component composite methodology including a detailed perimeter “spillover” general benefit inventory and analysis
- Prepare a certified and signed “detailed engineer’s report” which conforms to and addresses the seven (7) required Prop 218 special benefit findings.
- Layout an eight (8) step sequential methodology for determining and justifying the selected benefit assessment formula.

CLIENT

Based on my personal experience in other BIDs, the “client” for Assessment Engineering services could either be the BID Renewal Consultant (Devine Strategies) or the South Park BID Property Owner’s Association. All other terms would remain the same.

FEE

\$3,500 Fixed Base Fee – this covers the entire fee to prepare and gain approval, from the City of Los Angeles, of a Certified and signed Proposition 218 Engineer’s Report (ER). This fee is based on receiving, from the BID Formation Consultant, a draft Management District Plan (MDP) and final approved District data base (BID dbase) prior to commencement of preparation of the Engineer’s Report.

\$1,000 Reserve/Contingency (billed at \$150/hr) – this fee would also cover, if, and as needed, any substantial late stage re-writes of the ER due to major project and/or boundary changes. This fee could also cover extensive discussions and/or assistance with the BID Renewal Consultant during MDP development, if, and as needed, for determination of BID boundaries, benefit zones and assessment formula. This fee could also cover the cost of travel to and attendance at one Committee and/or City Council meeting, if, and as needed.

Payment Schedule

A \$2,500 advance retainer fee is requested to initiate any BID related services. The retainer will be deducted from the Fixed Base Fee. Periodic progress billings will be submitted during the BID formation/ER preparation process either from the balance of the Base Fee or from the Reserve/Contingency fee, depending on the task(s) involved.

Getting Started

- Remit signed copy of this letter proposal and, when fully engaged by master client, a \$2,000 retainer fee to address below
- When available, provide a draft Management Plan (in Word) and any related pertinent documents
- When available, provide a property dbase (in Excel) of all parcels, land uses if applicable, assessable property characteristics (i.e. building area, land area, street frontage etc.) and calculated assessment amounts

Timing

• Upon receipt of all of the above, I will prepare and email a draft Assessment Engineer's Report to client usually within 5 working days for review. Upon approval of draft by client and City of Los Angeles, a signed and certified final report will be emailed in a PDF and Word file to client with original signed and stamped copy directly to City.

Please feel free to call me at 760-868-9963 should you need any additional information or have questions. Thank you for considering the use of my services. I look forward to working with you on this project.

Respectfully submitted,

Ed Henning

Edward V. Henning, Principal Consultant

Edward Henning & Associates

EVH/BID-ER prop (Los Angeles)

PROPOSAL ACCEPTED BY:

Signature/Title

Entity

Date